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1948 OUTLOOK ISSUE
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THE

Livestock and Meat

SITUATION

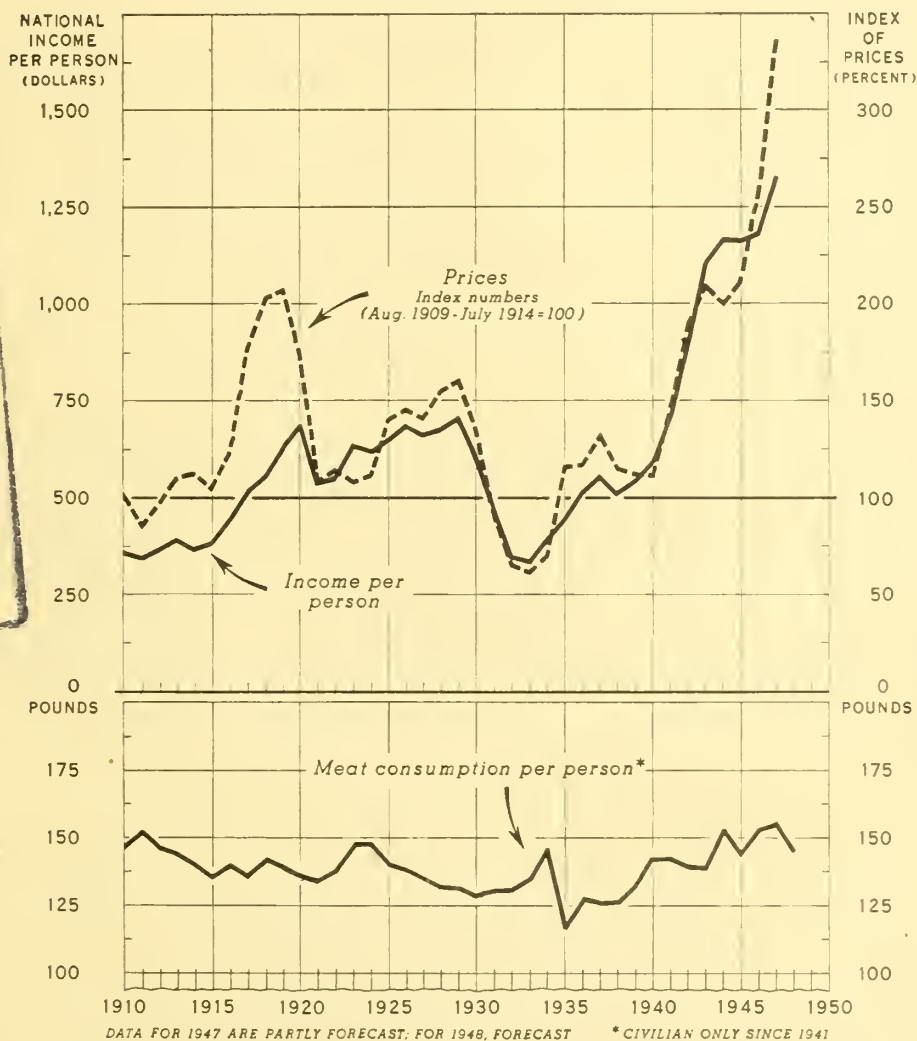
BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

LMS - 8

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OCTOBER 1947

PRICE RECEIVED BY FARMERS FOR MEAT ANIMALS, NATIONAL
INCOME PER PERSON, AND MEAT CONSUMPTION PER
PERSON, UNITED STATES, 1910-47



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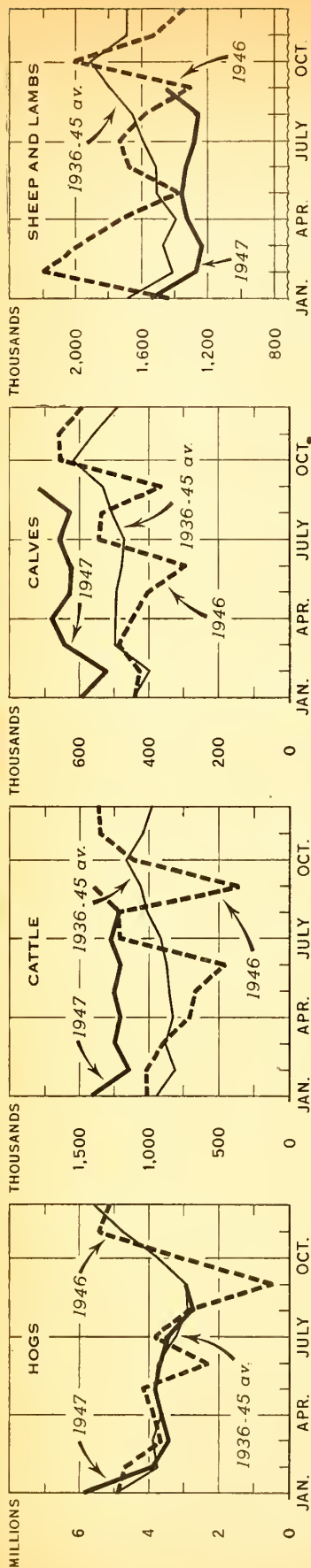
NEG. 48501 BUREAU OF AGRICULTURAL ECONOMICS

Record high consumer incomes and spending for meat raised prices of meat animals to new highs in 1947. Continued strong consumer demand combined with reduced supplies of meat in prospect will maintain meat animal prices at high levels in 1948.

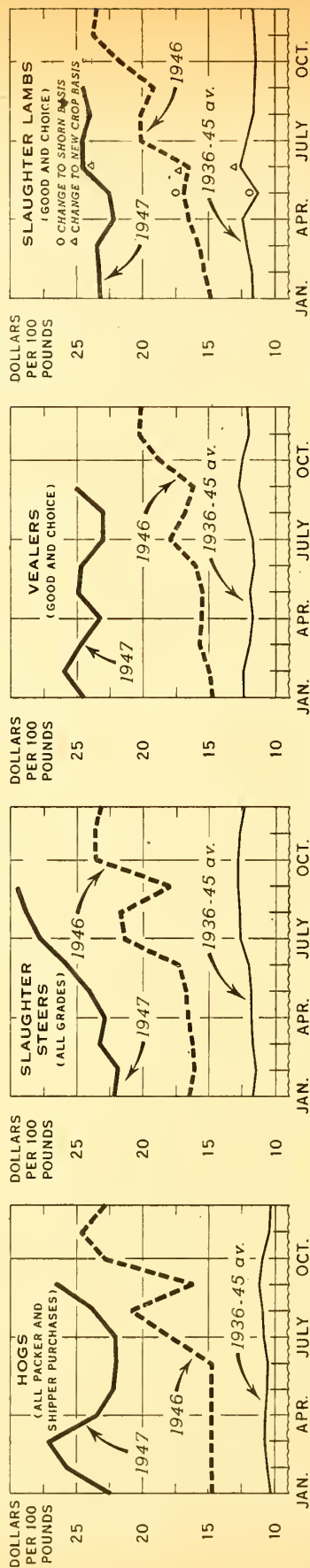
Meat consumption per person in 1947 is the largest since 1909. Even with the reduced supplies in prospect meat consumption per person will be greater in 1948 than during most of the years from 1910 to 1944.

LIVESTOCK AND MEAT SITUATION

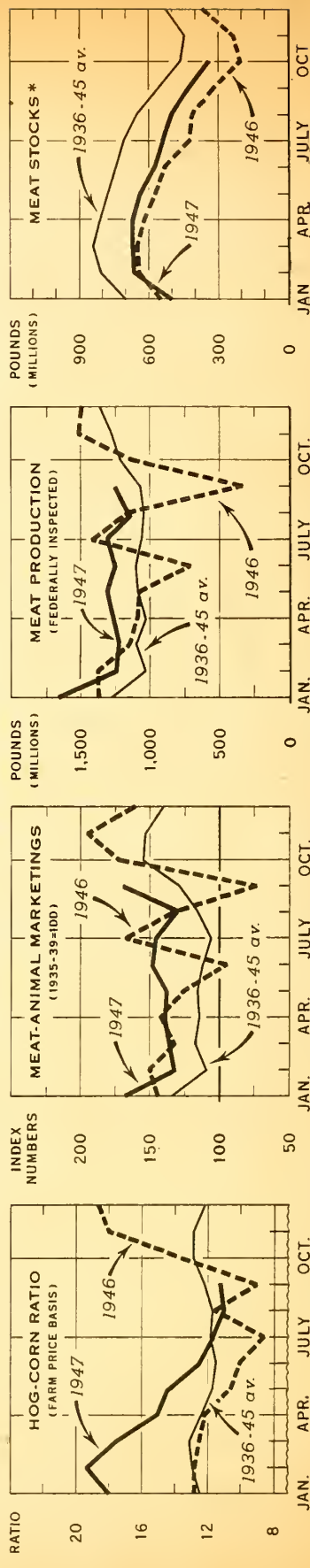
FEDERALLY INSPECTED SLAUGHTER, UNITED STATES



MARKET PRICES, CHICAGO



HOG-CORN RATIO, MEAT ANIMAL MARKETINGS, MEAT PRODUCTION, AND STOCKS, UNITED STATES



* BEEF, LAMB AND MUTTON, PORK, AND MISCELLANEOUS MEATS IN MEAT PACKING PLANTS AND COMMERCIAL COLD STORAGE HOUSES BEGINNING OF MONTH

THE LIVESTOCK AND MEAT SITUATION

Approved by the Outlook and Situation Board, October 20, 1947

SUMMARY

The year 1948 promises to be another good one for most livestock producers. Prices of meat animals are expected to average as high as in 1947, and cash receipts of producers again will be large.

Because of fewer livestock and the smaller feed grain supplies, output of meat in 1948 probably will be around 1.5 billion pounds less than in 1947, 15 percent below the peak of 25.2 billion pounds in 1944, but more than 20 percent above the 1937-41 average. Meat consumption per person next year probably will be about 146 pounds, 10 pounds less than in 1947.

Exceptionally strong consumer demand has raised prices of meat and meat animals to record levels in 1947. Demand is expected to continue unusually strong for at least the first half of 1948. Even if it falls off some in the last half, meat animal prices for the year probably will average as high as in 1947.

The sharp reduction in the number of cattle this year and reduced grain feeding will result in a smaller slaughter in 1948. As a result, beef output next year may be around one billion pounds less than in 1947 which is now expected to set a new record of 10.5 billion pounds. Despite the reduction, however, beef supplies per person in 1948 may be larger than in any of the years between the two World Wars.

Considerably fewer cattle probably will be grain fed for market in the next twelve months than during the past year. Reduced supplies and high prices of both corn and feeder cattle are discouraging farmers from feeding.

Pork output in 1948 will be moderately smaller than in 1947. The number of pigs saved in 1947 will be slightly larger than in 1946, and slaughter of hogs in the first 9 months of 1948 is likely to be as large as in the comparable period a year earlier. Current and prospective hog and corn prices indicate that the 1948 spring pig crop will be smaller than the 53 million saved in the spring of 1947. A smaller pig crop would result in reduced slaughter during the last three months of 1948.

Fewer lambs are expected to be fed this fall and winter than a year ago. The 1948 lamb crop will be smaller than in 1947, reflecting this year's reduction in the number of stock sheep, now the lowest on record. Consequently, lamb and mutton production, which in 1947 was the smallest in 18 years, will be even smaller in 1948.

(For release October 27, A.M.)

OUTLOOK FOR MEAT IN 1948

Reduced Meat Supplies in 1948

Reduced supplies of all classes of meat--beef, veal, pork and lamb-- are in prospect for 1948 as a result of a general decrease in livestock numbers, and reduced feed-grain supplies. Even if the 1948 grain harvest is considerably larger than in 1947, no material increase in meat supplies is likely before late 1949.

Meat production in 1947 is expected to be around 23 billion pounds (dressed meat basis), slightly more than in 1946. Output in 1948 may be about 21.5 billion pounds, or around 1.5 billion pounds less than in 1947.

Table 1.- Total meat production by classes and consumption per person, United States, 1937-41 average, 1944-48

| Year | Total production | | | | | Consumption per person 1/ | | | | |
|------------------|------------------|------------------|-------------------|----------------------------|------------------|---------------------------|----------|-------------------|----------------------------|----------|
| | : Beef | : Veal | : Lamb and Mutton | : Pork, exclud-: ing lard: | : Total | : Beef | : Veal | : Lamb and Mutton | : Pork, exclud-: ing lard: | : Total |
| | : Million pounds | : Million pounds | : Million pounds | : Million pounds | : Million pounds | : Pounds | : Pounds | : Pounds | : Pounds | : Pounds |
| | : Million pounds | : Million pounds | : Million pounds | : Million pounds | : Million pounds | : Pounds | : Pounds | : Pounds | : Pounds | : Pounds |
| 1937-41 Average: | 7,197 | 1,022 | 884 | 8,573 | 17,676 | 55.6 | 7.7 | 6.7 | 63.6 | 133.6 |
| 1944 | 9,115 | 1,738 | 1,024 | 13,304 | 25,181 | 53.6 | 12.4 | 6.6 | 80.2 | 152.8 |
| 1945 | 10,279 | 1,661 | 1,054 | 10,697 | 23,691 | 58.9 | 11.8 | 7.2 | 65.9 | 143.8 |
| 1946 | 9,378 | 1,440 | 970 | 11,173 | 22,961 | 60.5 | 9.9 | 6.7 | 75.7 | 152.8 |
| 1947 2/ | 10,500 | 1,600 | 800 | 10,300 | 23,200 | 70.0 | 11.0 | 6.0 | 69.0 | 156.0 |
| 1948 3/ | | | | | 21,500 | | | | | 146.0 |

1/ Consumption by civilians beginning 1941.

2/ Partly forecast.

3/ Forecast.

Beef production in 1947 is expected to be about 10.5 billion pounds, the largest on record. In 1948, beef production will be sharply reduced because a smaller number of cattle will be on farms and marketings of fed cattle will be considerably smaller. Also, the decline in inventory is not likely to be as large as in 1947. Despite the reduction in prospect beef supplies in 1948 may be larger than in any other year except 1947 and 1945.

On a per person basis, beef output in 1947 is expected to be nearly equal to the 1945 record of 73 pounds. In 1948, beef production per person may be down to 65 pounds, which would be less than during most of the war years, but more than in any of the years between 1918 and 1942.

Pork production, in 1947, excluding lard, is likely to be about 10.3 billion pounds, 8 percent lower than in 1946. In 1948, pork output will be further reduced--possibly to around 9.8 billion pounds. This would be 3.8 billion less than the record of 1943, but 1.2 billion more than the average for 1937-41.

Pork production in 1947 will total about 71 pounds per person, compared with 78.6 pounds in 1946, and the record of 99.3 pounds in 1943. In 1948, production per person may be reduced to 67.5 pounds, about a third less than in 1943, but about 2 pounds more than the 1937-41 average.

Total lamb and mutton production for 1947 is expected to be about 800 million pounds, or 5-1/2 pounds per person. This is about one-fourth less than the average for the previous 5 years, and the smallest since 1929. In 1948, output of lamb and mutton may fall off an additional 10 percent because of fewer 1947 lambs to be fed this winter and prospects for a smaller 1948 lamb crop.

Continuing High Prices in Prospect

Consumer incomes in 1948 are expected to continue near high 1947 levels. No marked reduction in either employment or wage rates is expected. Prospects for strong consumer demand combined with reduced supplies of meat mean high prices for meat and meat animals in 1948.

Changes in consumer incomes and spending will have more influence on meat prices than changes in meat supplies. Meat animal and meat prices in 1947 have been considerably higher than would be expected on the basis of prewar relationships between consumer incomes and meat supplies. Apparently, consumers are spending more of their incomes for meat than they usually do. This may be due, in part, to relative scarcities of durable consumer goods such as home appliances, automobiles and houses. As supplies of those items increase, consumers may spend a relatively smaller proportion of their incomes for meats. This would tend to reduce prices of meat and meat animals, and bring them into a more normal relationship with consumer incomes and meat supplies.

On the other hand, smaller meat supplies in prospect for 1948 may offset the tendency of consumers to spend less of their incomes for meat. And if consumer demand continues as strong as at present, prices of meat animals and meat may be even higher than in 1947.

United States shipments of meat to the territories and exports to foreign countries in 1947 apparently are less than 300 million pounds. This is less than one-fourth of 1946 shipments and exports (including UNRRA and Lend-Lease), and only about 1 percent of the total production during the year. In 1948 meat exports will continue small. On the other hand, United States import controls ended June 30, 1947, and imports of meat in 1948 are expected to increase, possibly to 200-300 million pounds, compared with less than 50 million pounds in 1947.

Military purchases of meat in 1947 are likely to be about 600 million pounds, less than 3 percent of total production. In 1948, military meat purchases are expected to be about the same as in 1947.

OUTLOOK FOR HOGS IN 1948

Slight Reduction in Hog Slaughter in 1948; Smaller 1948 Spring Pig Crop in Prospect

The number of hogs slaughtered in 1948 probably will be only slightly smaller than in 1947. However, slaughter weights will be lighter as a result of relatively higher prices of feed grains. Consequently, pork production in 1948 will be reduced more than hog slaughter.

The 1947 spring pig crop totaled 53 million head, almost a million greater than a year earlier. Even though hogs from the 1947 spring crop are being marketed earlier than usual, about as many 1947 spring pigs will be slaughtered after Jan. 1, 1948 as the number of 1946 spring pigs slaughtered after January 1, 1947. The pig survey of last June indicated that the 1947 fall pig crop would be slightly larger than the 30.6 million head saved last fall. If this is the case, hog slaughter in the late spring and summer of 1948 probably will be larger than a year earlier.

Hog slaughter in the last four months of 1948 will depend largely upon the size of the 1948 spring pig crop, since about one-half of the crop is marketed before the end of the year.

Prospects are that the 1948 spring pig crop will be smaller than the 1947 crop because of reduced supplies of corn and below average hog-corn price ratios. The hog-corn price ratio has been below average since May. In mid-September the ratio was 11.3 (farm basis), compared with a long-time average of 12.3 for the month. The year 1931 is the only one since 1924, in which the spring pig crop increased when the hog-corn ratio averaged less than 12.7 during the September-December breeding season.

Table 2.-Hog-corn price ratio during fall breeding season, arranged according to U. S. ratio, and number of sows farrowed following spring 1924-46

| Year | Hog-Corn Price Ratio | | Sows | | Increase or decrease From Preceding Spring In Sows Farrowing |
|------|-------------------------|------------------|----------------------------|---------------------|--|
| | September - December 1/ | | Farrowing | | |
| | U. S. | | Following | | |
| | North Central States | | Spring | | |
| | | | Number Thousands | Number Thousands | Percent |
| 1938 | 17.2 | 13.8 | 8,692 | 1 897 | 27.9 |
| 1942 | 17.2 | 18.4 | 12,174 | 2,490 | 25.7 |
| 1926 | 16.6 | 17.5 | 9,754 | 706 | 7.8 |
| 1941 | 15.5 | 16.3 | 9,684 | 1,924 | 24.8 |
| 1937 | 15.3 | 16.7 | 6,795 | 618 | 10.0 |
| 1946 | 14.8 | 15.6 | 8,709 | 600 | 7.4 |
| 1935 | 14.7 | 15.8 | 6,954 | 1,487 | 27.2 |
| 1932 | 14.2 | 17.4 | 9,123 | 312 | 3.5 |
| 1925 | 13.5 | 15.3 | 9,048 | 714 | 8.6 |
| 1945 | 12.7 | 13.6 | 8,109 | - 189 | - 2.3 |
| 1943 | 12.4 | 13.4 | 9,246 | - 2,928 | - 24.1 |
| 1944 | 12.3 | 13.4 | 8,298 | - 948 | - 10.3 |
| 1939 | 12.0 | 13.3 | 8 247 | - 445 | - 5.1 |
| 1931 | 12.0 | 13.0 | 8,811 | - 160 | - 1.8 |
| 1947 | 11.3 (September) | 11.3 (September) | Moderate decrease expected | | |
| 1927 | 11.2 | 11.6 | 9,301 | - 453 | - 4.6 |
| 1928 | 11.2 | 12.2 | 8,854 | - 447 | - 4.8 |
| 1930 | 11.2 | 12.3 | 8,971 | 693 | 8.4 |
| 1929 | 10.3 | 10.9 | 8,278 | - 576 | - 6.5 |
| 1940 | 10.0 | 10.6 | 7,760 | - 487 | - 5.9 |
| 1936 | 9.4 | 9.4 | 6,177 | - 777 | - 11.2 |
| 1933 | 8.6 | 10.2 | 6,825 | - 2,298 | - 25.2 |
| 1924 | 8.2 | 8.7 | 8,334 | - 1,465 | - 14.9 |
| 1934 | 6.8 | 7.0 | 5,467 | - 1,358 | - 19.9 |

1/ Based on prices received by farmers.

Even if the 1948 grain harvest is much larger than in 1947, no material increase in pork output is likely until late 1949. Pigs born in the spring of 1949 would not be ready for market until late in that year. The 1948 fall pig crop, which will furnish most of the hogs for slaughter in the middle of 1949, may be smaller than the 1947 crop because of short feed grain supplies and high grain prices in the spring of 1948.

Unusually strong consumer demand for meat pushed pork and hog prices to record levels in 1947. Additional support to hog prices resulted from the inclusion of sizeable quantities of fats and oils in government export goals. Hog prices are expected to continue high in 1948 in view of the prospects for continuing high consumer incomes and reduced supplies of pork and other meats.

A schedule of support prices for hogs for the period October 1947 through March 1948 was announced October 3. Supports will vary seasonally from a high of \$16.75 per 100 pounds for good and choice butcher hogs at Chicago in the first week of October to a low of \$14.50 during four weeks in December, when marketings usually are at a peak. It is expected that hog prices will remain well above support levels during 1948. Present legislation requires support for hog prices at not less than 90 percent of parity through 1948.

Table 3.- Prices of hogs and corn, Chicago 1943-47

| Item | | : 1943 | : 1944 | : 1945 | : 1946 | : January-Sept. | |
|------------------------|-------------|---------------|-------------|-------------|-------------|-----------------|-------------|
| | | : 1943 | : 1944 | : 1945 | : 1946 | : 1946 | : 1947 |
| Hogs: | | : <u>Dol.</u> | <u>Dol.</u> | <u>Dol.</u> | <u>Dol.</u> | <u>Dol.</u> | <u>Dol.</u> |
| Barrows and gilts, | all grades: | 14.49 | 13.77 | 14.75 | 18.42 | 16.15 | 25.04 |
| Sows, | all grades: | 13.71 | 12.75 | 13.99 | 18.31 | 15.38 | 20.99 |
| All purchases | | : 14.31 | 13.57 | 14.66 | 18.40 | 15.97 | 23.95 |
| Corn, No. 3, Yellow 1/ | | : 104.6 | 114.6 | 115.5 | 149.9 | 149.4 | 190.8 |

1/ Cents per bushel.

OUTLOOK FOR BEEF CATTLE IN 1948

Fewer Fed Cattle for Market

The number of cattle on feed January 1, 1948 probably will be the smallest in several years. Although shipments of stocker and feeder cattle to the Corn Belt during the first seven months of 1947 were at a record level, shipments since July have been much smaller than last year. Fewer cattle are available for feeding than a year ago because of the large slaughter of steers, cows and heifers this year. The relatively high prices of feed and feeder cattle and poor wheat pastures also contribute to less feeding.

Table 4.- Number of cattle on feed January 1, hay and feed concentrate supply per animal unit, United States, 1935-47

| Year | : Number cattle and | : Feed concentrate supply per: | : Hay supply per animal |
|------|---------------------|--------------------------------|-------------------------|
| | : calves on feed | : animal unit, year beginning: | : unit year beginning |
| | : January 1 | : preceding Oct. 1 1/ | : preceding May |
| | : <u>Thousands</u> | : <u>Tons</u> | : <u>Tons</u> |
| 1935 | : 2,215 | .69 | .84 |
| 1936 | : 3,202 | .93 | 1.20 |
| 1937 | : 2,759 | .73 | 1.08 |
| 1938 | : 3,336 | 1.02 | 1.16 |
| 1939 | : 3,303 | 1.03 | 1.36 |
| 1940 | : 3,633 | .98 | 1.32 |
| 1941 | : 4,065 | 1.05 | 1.34 |
| 1942 | : 4,185 | 1.05 | 1.32 |
| 1943 | : 4,445 | 1.08 | 1.39 |
| 1944 | : 4,015 | .95 | 1.33 |
| 1945 | : 4,411 | 1.07 | 1.31 |
| 1946 | : 4,211 | 1.06 | 1.47 |
| 1947 | : 4,307 | 1.18 | 1.48 |
| 1948 | : | 2/ 1.03 | 2/ 1.51 |

1/ Includes corn, oats, barley, sorghum grains, imported grain, wheat and rye fed, and byproduct feeds for feed. 2/ Indicated on basis of October production forecasts.

This fall and winter farmers will tend to market cattle after a short feed, as they have done in other years when feed grain production was below average. Therefore, cattle slaughter is likely to be fairly large in the winter and early spring. Marketings of fed cattle next summer and fall are likely to be much smaller than in recent years.

Operating margins for feeding cattle this fall and winter are expected to be much smaller than during the same months last year. Margins on feeder cattle purchased in the fall of 1946 and sold last summer were unusually large because of the general advance in cattle prices during that period. (See table 5).

Cattle Numbers Greatly Reduced

Around four million fewer cattle will be on farms January 1, 1948 than at the beginning of this year. The reduction during 1947 is greater than for any other year since 1934 when the government purchased almost eight million cattle and calves for drought relief.

The number of cattle in the United States increased from a low of 65 million at the beginning of 1938 to a peak of 85.6 million on January 1, 1945, and then dropped to around 81 million by the first of 1947. By regions, the increases from 1938 to 1945 were: West North Central, 43 percent; South Central, 32 percent; Western, 30 percent, South Atlantic, 28 percent; East North Central, 22 percent; and North Atlantic, 10 percent. Since January 1, 1945 the greatest declines in cattle numbers occurred in the West North Central, South Central and Western States, where the increase prior to 1945 was greatest. Numbers of cattle changed little during 1945 and 1946 in the North and South Atlantic States and in the East North Central States.

At the beginning of 1947, the nation's herd of milk cows was 26.1 million head, 1,670,000 below the January 1, 1945 peak. The number of other cows on farms and ranches January 1, 1947 was 16.4 million, only 96,000 less than on January 1, 1945. Some reduction in the number of cows on farms probably has occurred in 1947, but it is still large enough to assure a large calf crop in 1948.

The sharp reduction in the number of cattle in 1947 is indicated by the rate of slaughter. During the first nine months of the year, about 11.3 million head were killed under Federal inspection, 49 percent more than a year earlier and the largest on record for the period. Slaughter of steers under Federal inspection in January-August this year was equal to 69 percent of the total number on farms and ranches at the first of the year, the highest percentage on record. (Data on steer slaughter are first available in 1923.) In addition to the large steer slaughter, cow and heifer slaughter under Federal inspection in January-August this year was the greatest percentage of all cattle slaughtered under Federal inspection since 1938.

If the present down trend in cattle numbers lasts as long as similar trends in the past, the nation's cattle herd will continue to decline a few years more. This would be accompanied by a continued decline in beef production.

Price Prospects for Cattle Favorable

High consumer demand for beef raised cattle prices to record levels in 1947. A strong consumer demand is expected to continue for at least the first half of 1948. This, together with prospects for reduced supplies of beef is expected to keep prices of cattle high. Prices of better grades of fed cattle are likely to be high relative to prices of grass fat cattle.

Table 5.- Specified average prices and costs in the feeding of steers in the Corn Belt, 1939-47

LMS-8

| Item | Season | | | | | | | | | |
|---|-------------|----------|----------|----------|----------|----------|----------|---------|--|--|
| | 1939-40: | 1940-41: | 1941-42: | 1942-43: | 1943-44: | 1944-45: | 1945-46: | 1946-47 | | |
| | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | | |
| Average price per 100 pounds for good grade: | | | | | | | | | | |
| beef steers sold out of first hands, | | | | | | | | | | |
| Chicago, May-August | 10.15 | 10.99 | 13.85 | 15.36 | 16.18 | 16.12 | 18.53 | 26.46 | | |
| Subsidy per 100 pounds | | | | | | .40 | .25 | .08 | | |
| Average cost of feeder steers at Kansas | | | | | | | | | | |
| City per 100 pounds, August-December | 7.88 | 8.49 | 9.82 | 12.08 | 11.52 | 11.56 | 12.91 | 16.37 | | |
| Average price per bushel of corn, North | | | | | | | | | | |
| Central States, September-July | .510 | .577 | .711 | .862 | 1.039 | 1.009 | 1.175 | 1.490 | | |
| Average price per ton received by farmers | | | | | | | | | | |
| for alfalfa hay loose, North Central | | | | | | | | | | |
| States, September-July | 8.33 | 8.12 | 10.45 | 11.31 | 16.34 | 17.39 | 15.54 | 18.81 | | |
| Average wholesale price per ton for soybean: | | | | | | | | | | |
| meal, 41 percent protein, Chicago, | | | | | | | | | | |
| September-July | 29.90 | 28.66 | 41.61 | 41.21 | 51.90 | 52.00 | 58.32 | 76.78 | | |
| | Total value | | | | | | | | | |
| Market value at Chicago of good grade beef: | | | | | | | | | | |
| steers, market weight 1,050 pounds | 106.58 | 115.40 | 145.42 | 161.28 | 169.89 | 169.26 | 194.56 | 277.83 | | |
| Subsidy credit | | | | | | 4.20 | 2.62 | .84 | | |
| Market value plus subsidy | 106.58 | 115.40 | 145.42 | 161.28 | 169.89 | 173.46 | 197.18 | 278.67 | | |
| Market cost at Kansas City of 700 pound | | | | | | | | | | |
| feeder steers | 55.16 | 59.43 | 68.74 | 84.56 | 80.64 | 80.92 | 90.37 | 114.59 | | |
| Cost of transportation from market to feeder: | 2.55 | 2.55 | 2.55 | 2.55 | 2.55 | 2.55 | 2.55 | 2.55 | | |
| Cost of 40 bushels of corn | 20.40 | 23.08 | 28.44 | 34.48 | 41.56 | 40.36 | 47.00 | 59.60 | | |
| Cost of 0.75 ton of alfalfa hay loose | 6.25 | 6.09 | 7.84 | 8.48 | 12.26 | 13.04 | 11.66 | 14.11 | | |
| Cost of 50 pounds of soybean meal | .75 | .72 | 1.04 | 1.03 | 1.30 | 1.30 | 1.46 | 1.92 | | |
| Transportation and marketing expense | 5.92 | 5.86 | 5.91 | 5.93 | 6.01 | 6.00 | 6.07 | 6.27 | | |
| Total of cost items shown 1/ | 91.03 | 97.73 | 114.52 | 137.03 | 144.32 | 144.17 | 159.11 | 199.04 | | |
| Margin of market value of steers over total: | | | | | | | | | | |
| of cost items shown 1/ | 15.55 | 17.67 | 30.90 | 24.25 | 25.57 | 29.29 | 38.07 | 79.63 | | |

1/. Does not include overhead costs, cost of pasture or other feed ingredients and death loss, or credits for manure and for hogs following steers. The feed ration and prices shown are designed to be fairly representative of average feeding experience in the Corn Belt, but do not necessarily coincide with the experience of individual feeders.

Prices of cattle were high relative to hogs in 1941-46. In late 1946 and in 1947, however, hog prices rose more than cattle prices and the relation between the two in 1947 averaged about the same as in 1910-44. In 1948, cattle prices again may be high relative to hog prices since prospects are that beef supplies in 1948 will be reduced relatively more than pork supplies.

Table 6.-Prices of cattle and calves, Chicago and Kansas City, 1943-47.

| Item | Weight and grade | 1943 | 1944 | 1945 | 1946 | January-September | |
|---------------------|-----------------------------|-------|-------|-------|-------|-------------------|-------|
| | | 1/ | 1/ | 1/ | 1/ | 1946 | 1947 |
| | | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. |
| Chicago: | | | | | | | |
| Slaughter: | | | | | | | |
| Steers | All grades | 15.30 | 15.44 | 16.18 | 19.16 | 17.84 | 25.17 |
| Cows | Good grade | 12.98 | 13.21 | 14.01 | 15.04 | 14.55 | 18.05 |
| Cows | Canner and cutter | 7.52 | 6.40 | 7.31 | 8.19 | 7.80 | 10.45 |
| Veal calves | Good & choice | 15.18 | 14.86 | 15.12 | 16.87 | 15.93 | 24.37 |
| Kansas City: | | | | | | | |
| Feeder steers | All grades | 12.35 | 11.78 | 13.07 | 15.87 | 15.32 | 20.43 |
| Feeder steer calves | Good & choice under 500 lb. | 14.27 | 13.05 | 13.94 | 16.11 | 15.82 | 20.26 |

1/ Reflects subsidy payments to slaughterers beginning midyear 1943 but not the direct payment of 50 cents per 100 pounds to producers on cattle weighing over 800 pounds sold for slaughter, except for feeder steers.

OUTLOOK FOR SHEEP AND LAMBS IN 1948

Stock Sheep Numbers Lowest of Record

The number of stock sheep on farms January 1, 1948 is expected to be even smaller than the 30-year low of January 1, 1947. Little or no increase in the number of stock sheep is expected during 1948. High labor and other production costs and relatively low prices for wool will be retarding influences.

Fewer sheep and lambs are expected to be fed this fall and winter than a year earlier. Most of the reduction in the 1947 lamb crop was in the Western States, the source of most lambs for feeding. Lambs on the western ranges have made good gains and a larger-than-usual proportion are in slaughter condition. In addition, high prices of feeder lambs and corn and poor wheat pastures are important in reducing the number to be fed.

The number of lambs saved in 1947 was 9 percent less than a year earlier and the smallest since 1925. The 1948 lamb crop will be even smaller because of a reduction in the number of breeding ewes.

Table 7. - Sheep and lambs on feed, January 1,
by regions, 1935-39 average, 1940-47

| Year | 11 Corn Belt States | 14 Western States 1/ | New York | United States |
|-------------|---------------------|----------------------|-----------|---------------|
| | Thousands | Thousands | Thousands | Thousands |
| 1935-39 av. | 3,181 | 2,559 | 49 | 5,789 |
| 1940 | 3,159 | 2,642 | 40 | 5,841 |
| 1941 | 3,681 | 2,744 | 54 | 6,479 |
| 1942 | 3,844 | 2,978 | 45 | 6,867 |
| 1943 | 4,309 | 2,596 | 49 | 6,954 |
| 1944 | 3,962 | 2,506 | 44 | 6,512 |
| 1945 | 4,354 | 2,521 | 36 | 6,911 |
| 1946 | 4,215 | 2,585 | 37 | 6,837 |
| 1947 2/ | 3,929 | 2,061 | 39 | 6,029 |

1/ 11 Western States, North Dakota, Texas and Oklahoma.

2/ Preliminary.

Price Prospects Favorable

Prices of lambs are expected to continue high in 1948. Although lamb prices have averaged higher in 1947, than in the last 35 years, prices of sheep, lambs and wool have been low compared with prices of beef cattle. This is particularly true of sheep and wool prices. Lamb prices also are low relative to hog prices. Prices of ewes are low relative to lamb prices, which reflects the weak demand for breeding ewes, relatively low prices for wool, and the strong demand for slaughter lambs.

Table 8. - Meat animal and wool prices in relation to their long-time averages, and selected price ratios, United States, 1938-47

| Year | Index numbers of prices received by farmers (1910-44 = 100) | | | | | Price Ratios (1910-44 = 100) | | | | | |
|---------|---|-------------|-------|-------|------|------------------------------|---------------|----------------------|----------------------|---------------------|----------------|
| | Hogs | Beef Cattle | Sheep | Lambs | Wool | Beef Cattle to Hogs | Lambs to Hogs | Lambs to Beef Cattle | Sheep to Beef Cattle | Wool to Beef Cattle | Sheep to Lambs |
| | Pct. | Pct. | Pct. | Pct. | Pct. | Pct. | Pct. | Pct. | Pct. | Pct. | Pct. |
| 1938 | 86 | 92 | 64 | 78 | 68 | 107 | 91 | 85 | 70 | 74 | 82 |
| 1939 | 70 | 100 | 69 | 85 | 79 | 143 | 121 | 85 | 69 | 79 | 81 |
| 1940 | 60 | 105 | 70 | 89 | 98 | 175 | 148 | 85 | 67 | 93 | 79 |
| 1941 | 101 | 123 | 87 | 104 | 122 | 122 | 103 | 85 | 71 | 99 | 84 |
| 1942 | 144 | 148 | 100 | 126 | 137 | 103 | 88 | 85 | 68 | 93 | 79 |
| 1943 | 152 | 168 | 118 | 143 | 142 | 111 | 94 | 91 | 70 | 85 | 83 |
| 1944 | 145 | 153 | 109 | 139 | 144 | 106 | 96 | 91 | 71 | 94 | 78 |
| 1945 | 156 | 170 | 114 | 145 | 142 | 109 | 93 | 85 | 67 | 84 | 79 |
| 1946 | 194 | 201 | 129 | 169 | 144 | 104 | 87 | 84 | 64 | 72 | 76 |
| 1947 1/ | 269 | 263 | 147 | 223 | 158 | 98 | 83 | 85 | 56 | 52 | 66 |

1/ January-September average.

The wool support price program assures domestic wool growers that prices in 1948 will average slightly higher than in 1947 (when government purchases were suspended for 4 months) and at least as high as the 42 cents per pound received in 1946. Prices of some fine foreign wools rose 60 percent within the past season. Prospective supplies of wool indicate that prices of fine wools will continue high relative to coarser types. World production of merino wool (roughly fine and half-blood) has declined sharply since 1945, but output of crossbred wool is only moderately below the wartime peak, and is larger than in any pre-war year. The high level of world consumption of choice fine wools already has resulted in a considerable decrease in stocks of these wools.

United States Government wool stocks, declined from 538 million pounds (grease basis) on August 31, 1946 to 384 million pounds a year later, and may be further reduced during 1948. Mill consumption of apparel wool in 1948 may be moderately less than the 950 million to 1 billion pounds consumed this year, but use of domestic wool may be larger in 1948 than in 1947.

Because of the expected decline in domestic demand for foreign wool, imports of apparel wool in 1948 will be smaller than in 1947. Domestic wool output (including pulled) in 1948 may be slightly smaller than 1947 production of 308 million pounds (grease basis).

Table 9.- Prices of lambs and ewes per hundred pounds, Chicago and Omaha, 1943-47

| Items | Grade | 1943 | 1944 | 1945 | 1946 | January-Sept. | |
|-----------------|--------------------|-------|-------|-------|----------|---------------|----------|
| | | Dol. | Dol. | Dol. | Dol. | 1946 | 1947 |
| Chicago: | | | | | | | |
| Slaughter lambs | : Good and choice: | 14.95 | 15.22 | 15.48 | 18.65 | 17.22 | 23.56 |
| Ewes | : Good and choice: | 7.44 | 6.89 | 7.69 | 8.25 | 8.18 | 9.09 |
| Omaha: | | | | | | | |
| Feeding lambs | : Good and choice: | 13.22 | 12.70 | 14.17 | 16.46 1/ | 15.74 | 20.72 1/ |

1/ Simple average of prices for January, February, March, April, August, and September.

HORSES AND MULES

Rapid displacement of horses and mules by tractors is likely to continue despite inability of manufacturers to fill all orders for tractors and tractor equipment. High wage rates for farm workers are encouraging farmers to use tractor power rather than workstock.

The number of tractors on farms in the United States increased from 920,000 in 1930 to 1,545,000 at the beginning of 1940. The number now on farms apparently is close to three million.

The total number of horses and mules on farms has declined from a peak of 26.7 million head in 1918 to around 9 million at this time. The decline since 1940 has been around 5.4 million head. Only 50,000 mule colts and 205,000 horse colts were raised in 1946, 40 percent as many as in 1941 and the smallest total since at least 1920. The average age of workstock on farms has been increasing and death losses have been large. Slaughter and exports have been large.

Table 10.-Horses and Mules: Number on farms January 1 by age groups, United States, average 1935-39. and 1940-47

| Year | Horses | | | Mules | | | Horses and Mules | | |
|----------------|----------|---------|--------|----------|---------|--------|------------------|---------|--------|
| | Under 1: | Over 1: | Total: | Under 1: | Over 1: | Total: | Under 1: | Over 1: | Total |
| | year | year | | year | year | | year | year | |
| | Thous. | Thous. | Thous. | Thous. | Thous. | Thous. | Thous. | Thous. | Thous. |
| 1935-39 | | | | | | | | | |
| Average | 658 | 10,627 | 11,285 | 86 | 4,379 | 4,465 | 744 | 15,006 | 15,750 |
| 1940 | 621 | 9,823 | 10,444 | 133 | 3,901 | 4,034 | 754 | 13,724 | 14,478 |
| 1941 | 591 | 9,602 | 10,193 | 140 | 3,771 | 3,911 | 731 | 13,373 | 14,104 |
| 1942 | 503 | 9,370 | 9,873 | 130 | 3,652 | 3,782 | 633 | 13,022 | 13,655 |
| 1943 | 402 | 9,203 | 9,605 | 112 | 3,514 | 3,626 | 514 | 12,717 | 13,231 |
| 1944 | 364 | 8,828 | 9,192 | 98 | 3,323 | 3,421 | 462 | 12,151 | 12,613 |
| 1945 | 313 | 8,402 | 8,715 | 87 | 3,148 | 3,235 | 400 | 11,550 | 11,950 |
| 1946 | 240 | 7,813 | 8,053 | 65 | 2,945 | 3,010 | 305 | 10,758 | 11,063 |
| 1947 <u>1/</u> | 205 | 7,046 | 7,251 | 50 | 2,723 | 2,773 | 255 | 9,769 | 10,024 |

1/ Preliminary.

Demand for work horses has been extremely weak and prices of horses in September 1947 were the lowest for that month since 1932. Mule prices advanced moderately this year and are now the highest since 1944. Prices of workstock are not likely to be much, if any, different in 1948 than in 1947.

Table 11.-Horses and Mules: Price received by farmers, average 1935-39, 1940-1947

| Year | Horses | | Mules | |
|----------------------------------|---------|--|---------|--|
| | Dollars | | Dollars | |
| | | | | |
| 1935-39 Average | 83.48 | | 106.14 | |
| 1940 | 74.30 | | 93.10 | |
| 1941 | 69.00 | | 87.70 | |
| 1942 | 78.60 | | 99.90 | |
| 1943 | 85.70 | | 116.00 | |
| 1944 | 76.60 | | 111.92 | |
| 1945 | 63.70 | | 102.60 | |
| 1946 | 57.20 | | 105.12 | |
| January-September 1946 | 57.59 | | 105.27 | |
| January-September 1947 <u>1/</u> | 57.99 | | 109.33 | |

1/ Preliminary.

Average cost per 100 pounds of stocker and feeder steers at Kansas City
(all weights and grades)

| Year | Jan. | Feb. | Mar. | Apr. | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. | Year weight- ed average |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|----------------------------------|
| | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. |
| 1925: | 6.58 | 7.00 | 7.48 | 7.32 | 7.14 | 6.14 | 6.94 | 7.01 | 6.79 | 7.13 | 7.10 | 7.59 | 7.03 |
| 1926: | 8.00 | 8.21 | 8.35 | 8.13 | 8.04 | 7.42 | 6.93 | 6.91 | 7.34 | 7.19 | 7.26 | 7.31 | 7.43 |
| 1927: | 7.96 | 8.16 | 8.55 | 8.76 | 8.67 | 8.30 | 8.55 | 8.74 | 8.72 | 9.08 | 9.60 | 9.89 | 8.87 |
| 1928: | 11.14 | 11.22 | 11.31 | 11.49 | 11.32 | 11.18 | 11.48 | 11.52 | 11.88 | 11.06 | 10.77 | 10.25 | 11.27 |
| 1929: | 11.21 | 10.99 | 12.19 | 12.52 | 12.38 | 11.52 | 11.24 | 10.12 | 9.71 | 9.94 | 9.67 | 10.15 | 10.45 |
| 1930: | 10.54 | 10.89 | 10.89 | 10.39 | 9.84 | 7.78 | 6.30 | 6.57 | 6.88 | 7.06 | 7.23 | 7.44 | 8.17 |
| 1931: | 7.58 | 7.04 | 7.56 | 6.89 | 6.62 | 5.82 | 5.01 | 5.69 | 5.04 | 5.05 | 5.48 | 4.65 | 5.89 |
| 1932: | 5.06 | 5.04 | 5.62 | 5.29 | 4.93 | 4.54 | 4.97 | 5.23 | 4.82 | 4.47 | 4.72 | 4.12 | 4.88 |
| 1933: | 4.45 | 4.37 | 4.56 | 4.79 | 5.28 | 4.68 | 4.33 | 4.20 | 4.06 | 3.68 | 3.51 | 3.57 | 4.14 |
| 1934: | 4.00 | 4.55 | 4.55 | 4.69 | 4.75 | 4.08 | 3.71 | 3.76 | 4.05 | 3.92 | 3.98 | 4.07 | 4.07 |
| 1935: | 5.92 | 6.86 | 7.28 | 7.48 | 7.69 | 6.88 | 6.32 | 6.91 | 7.06 | 6.88 | 6.52 | 6.83 | 6.88 |
| 1936: | 7.07 | 6.95 | 7.51 | 7.23 | 7.12 | 6.56 | 5.34 | 5.53 | 5.81 | 6.01 | 6.32 | 6.46 | 6.39 |
| 1937: | 7.26 | 7.32 | 7.84 | 7.67 | 7.86 | 7.87 | 8.28 | 8.58 | 8.09 | 7.58 | 7.14 | 6.71 | 7.72 |
| 1938: | 6.98 | 7.04 | 7.60 | 7.55 | 7.72 | 7.51 | 7.80 | 7.54 | 7.42 | 7.47 | 7.77 | 8.00 | 7.54 |
| 1939: | 8.52 | 8.79 | 9.18 | 9.21 | 8.89 | 7.94 | 7.61 | 7.43 | 6.02 | 8.04 | 7.95 | 7.96 | 8.09 |
| 1940: | 8.07 | 8.12 | 8.97 | 9.06 | 9.18 | 8.05 | 8.09 | 8.53 | 8.41 | 8.52 | 8.81 | 8.76 | 8.53 |
| 1941: | 10.16 | 10.00 | 10.29 | 10.33 | 10.06 | 9.90 | 9.59 | 9.79 | 9.98 | 9.53 | 9.35 | 10.46 | 9.93 |
| 1942: | 10.57 | 10.69 | 11.47 | 11.93 | 12.00 | 11.83 | 11.09 | 12.05 | 11.64 | 11.83 | 12.62 | 12.24 | 11.75 |
| 1943: | 12.67 | 13.48 | 14.49 | 14.58 | 14.60 | 14.38 | 12.48 | 12.17 | 11.81 | 11.36 | 10.97 | 11.29 | 12.35 |
| 1944: | 11.60 | 12.95 | 13.06 | 12.76 | 12.84 | 11.65 | 10.93 | 11.50 | 11.34 | 11.50 | 11.96 | 11.49 | 11.78 |
| 1945: | 12.40 | 13.00 | 13.60 | 13.90 | 14.23 | 13.73 | 13.54 | 13.08 | 12.25 | 12.62 | 13.19 | 13.41 | 13.07 |
| 1946: | 13.56 | 14.71 | 15.22 | 15.86 | 15.82 | 15.72 | 15.53 | 15.51 | 15.99 | 16.42 | 16.30 | 17.63 | 15.87 |
| 1947: | 17.68 | 18.96 | 20.13 | 19.91 | 21.33 | 21.11 | 21.91 | 21.22 | 21.65 | | | | |

Livestock prices per 100 pounds (except where noted). marketings and slaughter statistics, by species, September 1947 with comparisons.

PRICES

| Item | Annual | January-September | | 1946 | | 1947 | |
|---|--------------|-------------------|---------|--------|-----------|--------|-----------|
| | Av. 1937-41: | 1946 | 1947 | August | September | August | September |
| | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. |
| Cattle and calves | | | | | | | |
| Beef steers sold out of first hands, Chicago: | | | | | | | |
| Choice and prime | 12.01 | 19.15 | 28.37 | 24.63 | 20.25 | 31.91 | 32.77 |
| Good | 10.52 | 17.71 | 25.61 | 20.73 | 19.58 | 28.27 | 29.43 |
| Medium | 8.94 | 15.85 | 22.07 | 16.60 | 17.44 | 21.96 | 22.60 |
| Common | 7.59 | 13.12 | 17.75 | 13.65 | 12.38 | 16.89 | 17.83 |
| All grades | 10.57 | 17.84 | 25.17 | 21.71 | 17.99 | 28.84 | 29.54 |
| Good grade cows, Chicago | 7.38 | 14.55 | 13.05 | 14.50 | 15.51 | 18.87 | 19.60 |
| Vealers: Cd. and Ch., Chicago | 10.34 | 15.93 | 24.37 | 16.83 | 16.17 | 23.08 | 25.08 |
| Stocker and feeder steers | | | | | | | |
| Kansas City | 8.36 | 15.32 | 20.43 | 15.51 | 15.99 | 21.22 | 21.65 |
| Av. price received by farmers: | | | | | | | |
| Beef cattle | 7.41 | 13.78 | 18.83 | 15.70 | 13.80 | 20.00 | 20.20 |
| Veal calves | 8.72 | 14.64 | 20.13 | 15.90 | 15.20 | 20.80 | 21.70 |
| Hogs | | | | | | | |
| Av. market price, Chicago: | | | | | | | |
| Barrows and gilts | - | 16.15 | 25.04 | 21.93 | 16.25 | 26.31 | 28.17 |
| Sows | - | 15.38 | 20.99 | 19.98 | 16.25 | 22.13 | 24.83 |
| All purchases | 7.97 | 15.97 | 23.95 | 20.84 | 16.25 | 23.74 | 26.66 |
| Av. price received by farmers: | | | | | | | |
| Hogs | 7.59 | 15.49 | 24.19 | 20.80 | 16.10 | 24.40 | 27.20 |
| Corn, cents per bushel | 62.9 | 141.9 | 173.4 | 180.0 | 173.0 | 219.0 | 240.0 |
| Hog-corn price ratio, U. S. 1/ | 12.8 | 11.1 | 14.6 | 11.6 | 9.1 | 11.1 | 11.3 |
| Sheep and lambs | | | | | | | |
| Lambs, gd. and ch., Chicago | 9.82 | 17.22 | 23.56 | 20.06 | 19.16 | 23.83 | 24.51 |
| Feeding lambs, gd. and ch., Omaha | 8.70 | 2/15.74 | 2/20.72 | 16.53 | 17.26 | 21.31 | 22.60 |
| Ewes, gd. and ch., Chicago | 4.43 | 8.18 | 9.09 | 7.09 | 9.13 | 9.05 | 9.08 |
| Av. price received by farmers: | | | | | | | |
| Sheep | 4.20 | 7.10 | 8.35 | 7.14 | 7.52 | 8.56 | 8.62 |
| Lambs | 8.28 | 14.49 | 20.29 | 16.40 | 15.70 | 21.00 | 21.60 |
| Meat | | | | | | | |
| Wholesale, Chicago: | | | | | | | |
| Steer beef, carcass (good, 500-600 lbs.) | 16.09 | 24.23 | 40.01 | 38.30 | 25.10 | 46.40 | 47.65 |
| Composite hog products | 11.07 | 17.84 | 29.00 | 27.82 | 17.61 | 30.57 | 33.06 |
| Lamb carcasses (good, 30-40 lbs.) | 17.11 | 28.30 | 3/42.79 | 41.07 | 31.78 | 45.55 | 46.97 |
| B.L.S. index retail meat prices 4/ | 100.9 | 149.2 | --- | 186.6 | 188.5 | --- | --- |
| Index income of industrial workers | | | | | | | |
| 1935-39=100 | 120.4 | 258.9 | --- | 289.9 | 292.0 | 322.3 | --- |

Livestock Marketing and Slaughter Statistics

| Item | Unit | | | | | | |
|--|----------|--------|--------|----------|-------|-------|-------|
| Meat-animal marketings: | | | | | | | |
| Index numbers (1935-39=100) ... | -- | 109 | 129 | 145 | 133 | 74 | 130 |
| Stocker and Feeder shipments to: | | | | | | | |
| 8 Corn Belt States | | | | | | | |
| Cattle and calves | Thous. | - | 1,527 | 1,514 | 323 | 388 | 198 |
| Sheep and lambs | Thous. | - | 1,847 | 1,905 | 338 | 365 | 283 |
| Slaughter under Federal Inspection: | | | | | | | |
| Numbers: 5/ | | | | | | | |
| Cattle | Thous. | 9,999 | 7,611 | 11,345 | 1,240 | 360 | 1,217 |
| Calves | Thous. | 5,571 | 3,945 | 5,685 | 534 | 364 | 628 |
| Sheep and lambs | Thous. | 17,609 | 15,006 | 12,047 | 1,578 | 1,300 | 1,253 |
| Hogs | Thous. | 41,225 | 30,712 | 33,382 | 2,843 | 438 | 2,731 |
| Average live-weight: | | | | | | | |
| Cattle | lb. | 933 | 961 | 6/ 930 | 917 | 912 | 905 |
| Calves | lb. | 191 | 134 | 6/ 199 | 239 | 213 | 234 |
| Sheep and lambs | lb. | 86 | 94 | 6/ 94 | 90 | 90 | 90 |
| Hogs | lb. | 234 | 259 | 6/ 264 | 263 | 264 | 234 |
| Meat Production: | | | | | | | |
| Beef | Mil. lb. | 5,002 | 3,917 | 6/ 5,595 | 594 | 168 | 571 |
| Veal | Mil. lb. | 597 | 405 | 6/ 627 | 70 | 43 | 80 |
| Lamb and mutton | Mil. lb. | 710 | 642 | 6/ 525 | 65 | 54 | 52 |
| Pork (excluding lard) | Mil. lb. | 5,530 | 4,694 | 6/ 4,938 | 426 | 71 | 438 |
| Storage stocks end of month: | | | | | | | |
| Beef | Mil. lb. | - | --- | --- | 95 | 73 | 97 |
| Pork | Mil. lb. | - | --- | --- | 169 | 100 | 264 |
| Lamb and mutton | Mil. lb. | - | --- | --- | 13 | 9 | 8 |
| Total meat and meat products .. | Mil. lb. | - | --- | --- | 351 | 228 | 473 |
| Percent packing cows are of Fed- : | | | | | | | |
| orally inspected hog slaughter | Percent: | - | 15 | --- | 30 | 24 | 36 |

1/ Number of bushels of corn equivalent in value of 100 pounds of live hogs. 2/ Average of prices for January, February, March, April, August and September. 3/ Average of prices for January, February, March, April, July, August and September. 4/ Meat, poultry and fish: Bureau of Labor Statistics, 1935-39 =100. 5/ 1947 slaughter excludes Hawaii and Virgin Islands. 6/ Estimated from weekly data.

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